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THE PRESENT PROBLEMS IN THE ECONOMIC INTER- PRETATION OF HISTORY¹

To the man of theory and often to the man of practice the study of history seems a useless occupation. Both have an interest in the present and demand solution for present problems. Has history anything to offer these men and can its methods be applied to the investigation of present conditions? At first sight the theorist gains little from its perusal. He finds the attention of historians limited to events of little present importance; wars occupy more space than the avocations of peace and personal affairs are discussed to the neglect of social tendencies and principles.

If a reader overlooks the prolix statements of non-essentials to which some historians are prone and seeks principles to guide present action what does he find but the familiar assertion, "History repeats itself?" Driven back from history, the searcher for present guidance once more resorts to theory in the hope that some light may be struck that shows the road he is blindly seeking. But all in vain.

Is there no link between these two disconnected methods of research? Must the past be interpreted by a method that yields no valuable results and the present by a method that discards all reference to the past?

This opposition and these defects continued for a long time before any remedy was suggested. Historians sneered at the theorist and the economist had an openly expressed contempt for those who did not use his methods. It is only of late that a new method of research has arisen, giving to history a wider meaning and offering to the economist a test for his theories.

Progress in this direction has, however, been slow. The historical appetite for facts is in a measure satisfied by the study of the economic conditions of earlier times. It acted as a limitation on theorizing to know that the conditions economists emphasized as parts of a perpetual economy were of recent origin and have application to but a small section of humanity. The doctrines of

¹An Address delivered at the International Congress of Arts and Science, St. Louis, September 1904.

free competition, personal liberty, free trade, individual bargaining and like tenets of the current economic philosophy thus lost their position of supremacy and sunk into the company of the minor doctrines that are plainly limited by time and space.

The resulting changes in mental attitude are in a large measure due to the efforts of the historical economists who taught the limitations to which all economic doctrines are subjected. Yet in spite of a breadth of view and great command of facts they did not destroy the old school but merely compelled its adherents to make more modest statements. This failure was due to the lack of a method of historical interpretation in harmony with the facts they were using and the conditions they were investigating.

Economic history and the economic interpretation of history are different concepts and have been forced upon public attention by two different groups of thinkers. Economic history is a question of facts—of the discovery and utilization of those facts of yesterday of which the economist of to-day avails himself. The economic interpretation of history is a study of these data and of the method of utilizing them. It enables us to reason about past events in the same way we reason about present events and to find common principles that will apply to both. Economic dogmatism concentrates attention on the dominant features of a given age or nation. Economic interpretation eliminates dogmatism by comparing the dominant features of many ages and clearly presents their points of difference and similarity. In this way a new theory arises with a broader basis and more closely in touch not only with history but also with the sciences from which the economic premises come.

There are, however, two diverging lines of thought, each of which is called an economic interpretation of history. One group of men ask what light can history throw on present events? Their interest is in the present and they use history as a method of interpreting it. The other group ask: What light can our knowledge of present events and conditions throw on those of past ages? The first group assumes a knowledge of the past superior to that of the present and hopes to use this knowledge to clear away the difficulties of interpreting contemporary events. The second group contends that our knowledge of present economic conditions is greater than that of past ages and hence that it can help us to supplement our meager knowledge of the past.

If we wish to be accurate in the use of terms this first viewpoint should not be called an economic interpretation of history, but an historical interpretation of the present. That which is interpreted is not history but current events, while the method used is not economic but historical. It is only the second viewpoint that attempts to interpret history and does it by an economic method.

It will add to the clearness of the contrast if the term "history" be eliminated. History in both cases is used in a popular way and as a result its interpreters fall into a needless conflict with those historians who want the facts of the past rather than their present significance.

It would be clearer to speak of the social interpretation of current events instead of the historical interpretation. Those who employ this method are interested in social affairs and use social methods of investigation and social principles oftener than historical methods and principles. It is still more clear to speak of the traditional interpretation of current events. The facts presented and the ideals emphasized are those which, wrought over into popular tradition, have become motives prompting intuitive response. The popular historian seizes the telling events of the world's history and by recounting them vividly tends to make people act to-day as their forefathers acted in the epoch-making struggles through which the race has gone. "Act to-day as your fathers acted in their day." This advice may seem the hand of history, but it is the voice of tradition. The economic interpretation of history starts with an analysis of present conditions and opens the way to a theory of social causation. In contrast with this method the historical interpretation of present events accepts the traditional view of the past and uses social prediction as a means of exerting social influence. The prophet strives to be a social leader. Economic interpretation as a method thus stands in contrast with social prediction. There is no real opposition between economics and history or between economics and sociology. It is only in the field of prediction that opposition appears. The scientific historian avoids the conflict by refusing to predict, but as the historian becomes modest, the social enthusiast becomes bolder, and, using the same methods as the predicting historian, he falls into similar errors.

Should social investigation begin with a study of the past and predict events from it as a base, or should a study of the present be

first made and its results be used to interpret the past? Of the past we have social tradition; of the present we have economic knowledge: Which is the more reliable as the basis of deduction?

Were not the knowledge of the past defective its study might give a starting point equally valuable with economic interpretation that starts from the firm foundation of present fact. The first canon of social prediction is, "History repeats itself." A series of repeated effects occurring under similar social institutions gives ground for the judgment that these institutions will always produce like effects.

In contrast with this, economic interpretation starts with the assumption that like economic causes produce like social results. Prediction can be made from one race or civilization to others only as the economic conditions back of them are the same. It is not like race, like institutions, like tradition or like consciousness of kind but like economic conditions that give a sound basis for prediction. Social prediction is of necessity based on data drawn from different races, institutions and civilizations. This evidence has little value unless a similarity of economic conditions exists as the antecedent of race, institution or civilization. An economic interpretation of past events must therefore precede valid prediction.

There are two channels in which thought runs and two bases on which it rests. The physical environment of a man is made up of objects upon which welfare depends. The force that perpetuates and increases this contact is desire. No object is a part of the conscious environment of men until they desire it or the means of avoiding it. Thought based on desire or arising out of its influence is plainly economic. But thought has another element not derived from the immediate objects of interest: This is tradition. Past conditions and events do not persist. The events and conditions of to-day cease with to-day, but new ones appear to-morrow. Economic conditions are thus short-lived, but the habits and thoughts that yesterday's conditions evoked live on and modify the present.

The newer biology makes the distinction between natural and acquired characters and affirms that the latter are not inherited. All acquired knowledge must pass from generation to generation by the repeated impressment of habits and thought upon the individuals of succeeding generations. This knowledge depending on constant repetition for its continuance, is tradition and imitation is its great

vitalizing force. Economic thought is the social expression of desire as tradition is the social expression of imitation. These two forces control current events and the differing interpretations of the past and the present depend upon the relative emphasis given them.

Professor Giddings has shown that the stimuli arousing activity are of two orders.² The original stimuli come from the immediate environment; the secondary stimuli are the products of past social life kept alive in the present. These products of past social life have, however, only one way of being continued and that is through the constant repetition that creates tradition. The original stimuli also are of no importance unless they awake response and this response is desire.

Changing the viewpoint from stimuli to that of response to stimuli, makes desire and tradition the sole forces that determine present action. In this contrast tradition includes all of the products of past responses that have been continued through imitation reinforced by repetition. These traditions blend and as they blend they become the basis of history, institutions and ideals. Desire operating under favorable conditions creates mobility of men and goods. This mobility concentrates men in productive regions who bring with them the traditions of the localities they leave. The mixing of population forces a blending of traditions. Opposing elements are suppressed while similarities are emphasized and around them the old traditions cluster in new forms. These blended traditions are elevated into morality, broadened into ideals and projected as standards of future action.

Each new mingling of population due to an increase of resources makes a breach between economic conditions and inherited social traditions. Before an equilibrium is re-established a transformation of tradition takes place, giving higher ideals and better institutions. The breach between economic thought and social idealism is thus steadily widened and the opposition between them is more pronounced. In its lower forms tradition is the result of conflict and reflects the opposition arising when men contest for the meager results of isolated localities. It is usually expressed in race feelings and hatreds. In its higher forms, however, tradition is an expression of likeness. A consciousness of opposition and fear is replaced by a consciousness of kind.

²A Theory of Social Causation, a paper read before the American Economic Association at the New Orleans meeting.

Each element in a composite population has its own traditions which blend with other traditions only when the common points are emphasized and the antagonisms are suppressed. The oft-repeated stories of the old life are retold so as to interest larger audiences. To each group of hearers the newly-told story can have a meaning only when it incorporates some of the tradition with which it is familiar. Writers and orators instinctively suppress points of discord and blend and elevate what appeals to all. Tradition is thereby transformed into idealism and becomes a standard far above that realized by individual men.

Government in England, for example, is plainly a group of traditions. Transferred to America it becomes political institutions, transferred again to cosmopolitan France it appears as political ideals, while in centralized Germany it is further transformed into social democracy. Each step has resulted from the discarding of local antagonisms and the emphasis of generalized truth.

Because of the simple conditions under which the Republican party arose it could concentrate its attention on three evils, Rum, Romanism and Rebellion, but in recent years to meet the conditions of a more composite population it has been forced to elevate its standards and to generalize its principles until it appeals to the classes, sections and races it formerly antagonized. The narrow tradition of the primitive American is thus transformed into a broad liberalism and the American Government becomes capable of handling race problems that our forefathers left untouched.

A labor leader who undertakes to organize unskilled laborers finds a race consciousness built up on race antagonism. When his thought is translated into the language of his hearers, words are used which express the hatreds surviving as race traditions. The employer is associated with the foreign misrule and the pent-up feelings which in their old homes went out against their race oppressors, are turned upon him. A class consciousness is thus developed that submerges the race antagonisms of earlier epochs and prepares the way for a broader citizenship. Race responses are replaced by class responses and these by social co-operative responses, which in turn are elevated into a democratic cosmopolitanism. Every transformation of tradition gives to its standards a greater coercive force. The result is idealism which by covering the future as a social projection gains a universality akin to religion.

Social mobility arises from the pressure of increasing desire; social stability from the growth of tradition. Social projection is the union of the two to be realized only in the distant future. With these forces at work there can be a steady transformation of tradition from a crude form of ancestor worship to an attractive social Utopia where all ideals become realities.

I give below some of the stages through which thought passes during this transformation. In a rough way they indicate the line of progress though no claim is made to strict accuracy:

Imitation,	Biography,
Tradition,	History,
Ancestor worship,	Romanticism,
Hero worship,	Literary lore,
Primitive poetry,	Individualism,
Precedents,	Idealism,
Codes,	Social democracy,
Morality,	Social projection.

Social democracy fixes the attention on the present and hence tends to emphasize the distribution of wealth. Social projection pictures an improving future and concentrates interest more on the accumulation of the wealth and the bettering of industrial processes than on its distribution and consumption.

I hope it has now been made clear that the traditional interpretation, the historical interpretation, the social interpretation and the idealistic interpretation of current events are practically the same. They differ from one another only in the degree that the idealistic transformation of thought has taken place. They all strive to influence the present and to improve human conduct through the study of past examples. The blending of traditions accomplishes this result and hence tradition and history pass over into idealism by easy stages. Economic practice becomes tradition and tradition is restated until it is transformed into institutions, ideals and social principles. All this helps to make good conduct, but it is not a safe basis for prediction.

We cannot accept this traditional interpretation because tradition has been transformed by its growth. Still less can we accept an "economic" interpretation of current events, because other

than economic causes have helped to shape the present. The "all economic" or material interpretation of the present is defective because it neglects the effect of heredity and tradition on human conduct. The traditional or idealistic interpretation is likewise defective because it neglects the changes in economic conditions that make present sequences in events different from those of the past. Through the economic interpretation of the past the similarities and differences in present and past conditions are brought to light and the limitations to social prediction become manifest.

Nor is economic interpretation the method of economists as opposed to that of historians and of sociologists. Economists are bound as tightly as other thinkers by the chains of tradition. The rapid development of the Ricardian tradition is evidence of this. Nor is the new thought exclusively the work of economists. Von Ihering's "Evolution of the Aryan" stands the tests of economic interpretation better than does the work of Karl Marx. The theory of exploitation is the transformation of a class tradition into a form of idealism. This is of social importance, but not an economic law.

I give below some of the canons of economic interpretation so that the validity of social creeds may be more easily measured. Economic interpretation tests these as science tests the miraculous in nature.

1. Like economic causes produce like social effects.
2. Progress depends on the increase of resources.
3. An economic interpretation of past events must precede an historical interpretation of present events.
4. Economic interpretation must precede social prediction.
5. Social causes have economic antecedents.
6. A study of economic epochs should precede a study of nations and races.
7. Traditions blend which in their union strengthen and elevate each other.
8. The greatness of men is due not to their moments of inspiration, but to the conflicting disciplines to which they have been subjected.

Much of the present confusion of thought would be obviated if it were kept in mind that progress depends on an increase of resources. In the study of an epoch or nation it must first be deter-

mined whether resources are decaying or improving. The decline of Rome was inevitable as soon as Italian resources fell off. Rome could extend its rule by conquest and make individuals and even armies wealthy by plunder, but this burden on the conquered races helped their decline, which in turn further weakened the Roman State.

It was the long, steady pressure of decaying resources that crushed Rome as it has crushed other nations similarly situated. Immorality and extravagance hurt to-day, but they have little permanent influence if the creation of wealth has gone on unimpeded. Each age brings up new men under the discipline of work and their descendants give tone to the succeeding age. Should they drop out through wrong-doing, their places are filled by a new generation of workers as new blades of grass come in the place of those cut. Give rain and we have grass; give work and we have men.

We need not go beyond the domain of geography to seek the error in the social and historical lore that is made the basis of current prediction. The region occupied by the Western civilizations of the Old World is divided into two parts by the Alps and the chains of mountains that extend eastward. Asia Minor, North Africa and the south slope of Europe are thus one geographical unit. The north of Europe forms a similar geographic unit. The Gulf Stream gives up its moisture to the Northern Plain. The westerly winds in the central basin are dry, bringing little moisture from the ocean beyond. Droughts are common and the source of great misery. The vast northern plain suffers from an excess of rain and from a lack of sun. Its crops, like the cereals can stand plenty of rain, while root crops prevail in the central basin where heat and sun are abundant though rain is deficient. I need not go into details to show that these two regions stand in marked contrast and that scarcely a physical feature which is important in the one prevails in the other. If economic forces count, these two regions should produce radically different civilizations, institutions and social traditions.

The German differed essentially from the Roman when the two civilizations came in contact. But as the Southern civilization proved superior the traditions, institutions and culture of the South were impressed on the North and so thoroughly has this work been done that the imposed institutions and social traditions now seem a second nature. We have so completely exchanged ancestors

that we think in the terms of the Roman, Greek and Semite rather than in terms of the German. We accept as precedents the traditions developed to meet the conditions of the dry, hot South and forget to test them by a comparison of the two environments. Roman precedents are good in North Europe only in so far as their physical characteristics are the same.

Viewed in this way it will be seen how completely predictions based on the conditions of the South fail when applied to the North. The history of the Southern regions shows a succession of races and nations each having a period of prosperity followed by a period of decay and a final disappearance. That nations have a period of youth, manhood and decay—that the history of each individual life is repeated in the history of nations—is a view based on the economic conditions of Southern Europe and Western Asia.

But is this law of the rise and decay of nations a general law or a peculiarity of the region where Southern civilization arose? It is plainly a local law. I have only to show that the slight rainfall of these regions has geologic causes in order to demonstrate that the decline of nations was due neither to social conditions nor failings, but was the inevitable result of changed climatic conditions.

Progress is due to the increase of resources; decline in civilization follows a failure of resources. A tragic end awaits a nation cramped by a reduction of the food supply. There are many ways of proving this, but I shall take a bold one that demands some imagination. The land masses of this Central Basin seem in early historic epochs or in those that immediately precede them to have risen to higher levels, converting many depressions occupied by lakes and seas into sandy wastes. Lower the level of the Sahara by 500 feet and it would become an inland sea. When this region was covered with water the southwest winds were moist and carried abundant rains to the eastern plateaus. Arabia and Persia could then have lakes where now there is only blowing sand. The high lands would have a verdant foliage and be fit centers for growing nations.

When civilized men gained a foothold in this region the elevation of land may have been completed and the decline in rainfall begun. The uplands would so become fine grazing land and the lowlands would be centers of agricultural activity. Careless tillage and the destruction of trees would increase the natural denudation

of the uplands and render them less habitable. This would force an unrest in the upland population, a movement to lower levels and a struggle for their possession. This contest once begun, would be a perpetual process. Each downward movement of population would develop a new civilization enduring until another unrest in the highlands brought a new horde of barbarians to destroy it and in turn to develop a new one. Region after region was thus denuded and civilization after civilization fell before the steady pressure of the upland races forced out of their habitat by the increasing dryness. A decreasing rainfall and an increasing denudation of land forces nations to move rapidly through the various stages of progress and in the end crushes them through the lack of resource.

There is, therefore, a long series of these short-lived nations, each repeating the other's history, because back of them were the same processes of growth and decay. The tradition of these sequences is the basis of the maxim that history repeats itself, while the struggles to resist invasion by developing the hero idea gave rise to the modern notions of character. But the law is neither an historical nor a social law; it is merely the pressure of geologic changes on the civilization of a given region. Outside of the great central basin the law fails of verification because the climatic conditions are altered.

In marked contrast with these climatic conditions are those of the great Northern Plain of Europe. A rank vegetation keeps up the fertility and usually replaces what is lost. Each generation sees North Europe more productive and capable of supporting a larger population. Growth and stability will thus be a characteristic of the Northern nations so long as the Gulf Stream flows. They have a perpetually improving economy giving a firm basis for enduring social institutions.

No nation of North Europe goes down as the Southern nations went down one after the other. A reconstruction of national boundaries often takes place; but with each reconstruction comes a period of renewed growth and prosperity. France has been the only apparent exception. Instability in government followed its great social revolution and gave to traditional views a new life. But order and stability have again been restored and the steady progress of France compares favorably with other nations.

If this be true the traditional view of the course of history

needs correction and the mass of Southern traditions imposed on Northern nations by the new civilization that Christianity brought, must each be tested by means of a comparison between the conditions under which it arose with the conditions that now prevail. The narrowness and defects of Southern traditions will then be exposed and the ground cleared for a new view of history based on the conditions and experience of North Europe.

The realization of this great break in economic conditions due to the transference of civilization from the South to the North of Europe and the consciousness that many of our cherished traditions are abnormal, help us to a fruitful study of present conditions. A new break of similar magnitude has been made by the transference of civilization to America.

The civilizations of North Europe are enduring because their basis in climatic conditions is secure; but while enduring they are narrow and cramped because their food resources are so limited. A wet, cold climate is good for grass and the cereals and therefore bread and meat become the standard of life. The pressure of population raised their price and kept the common people poor and dependent. Under these conditions a civilization could continue, but not without great abnormalities due to high prices. All these restraints were escaped in America and for the first time a natural level of food prices permits a normal development of civilization. Not only has America a better food supply than Europe, but the barriers to commerce have been so far broken down as to make the food supply of the whole world available at our great centers.

A new civilization is now possible to which those of the past can offer few analogies. Individual struggle has practically ceased. A sufficiency of food comes to the unskilled laborer and the increase of population even when augmented by a million immigrants a year does not increase the pressure. We have higher standards to-day with 80,000,000 people than we had two generations ago with 40,000,000 people and we could support 300,000,000 with as great ease and with as little individual struggle. Surely this is a break of a magnitude that the world has never before seen and should be followed not only by a great uplift in social standards, but also by changes in traditions, institutions and ideals that will separate our civilization from its predecessors and give it not only perpetuity but breadth.

The facts on which this judgment rests are so familiar that they will, I fear, make dry reading. Our resources and growth have been often pictured, but men do not realize what they mean. They think of our traditions, institutions and ideals, transferred in the main from other civilizations, as unchangeable possessions and fail to see the growth and transformation through which all things social go. I must repeat these familiar facts, however, to make my point as to the present importance of the economic interpretation of history.

The Great Central Plain of North America is a vast storehouse of food. We have the wheat that Europe has, but we have it more abundantly. We have more extensive grazing regions and with corn for fodder have superior facilities for raising cattle. Pork never took its proper place in the diet of the world until the great cornfields of the West came into existence. Of all these stable articles of ancestral diet vast quantities more might be raised without putting undue pressure on the soil. Our warm summers and clear climate make root crops even more productive than the cereals. To think of the changes in diet that the cheapening of sugar has made is to realize in a measure what an increase of population will follow the full utilization of available root crops. We have combined the resources on which the civilization of North Europe depends and those which made the ancient civilizations of the South. The emigrants from South Europe find here a possible diet like that of their home countries and in its use they evoke qualities in our soil that lay dormant as long as the Northern races were fed from it.

In addition to these home possibilities the nearness and accessibility of the semi-tropical regions, of the West Indies and Central America make many new foodstuffs available and in quantities practically unlimited. Measured in food, these regions can support as great a population as can the United States; and cost is less than that of the home supply. We need only a fruit and a vegetable-loving population to utilize these new food materials, and it is at hand in the emigrants from Southern and Central Europe who already have habits and traditions favorable to a vegetable diet. Surely, then, their influence will cause a break in Anglo-American traditions and a nearer approach of the American diet to the possibilities of American conditions.

This food supply could not be made available nor could the absorption and assimilation of Southern races take place without the recent cheapening of the cost of transportation. Even delicate fruits can be carried halfway round the world at a reasonable cost and with ice and cold storage they can be evenly distributed throughout the year. The new diet can, therefore, have a freshness and variety superior to any before available.

Coincident with this improvement in food and transportation have come social betterments that have lengthened life and made people more healthy. Great scourges like the medieval plagues are no longer possible and fevers are so well under control that they have ceased to be grievous afflictions. A normal length of life is for the first time possible to the working population and when traditions of hygiene and right living have developed among them, suffering from ill health will be a negligible quantity.

To attain all these advantages a rapid increase of capital is necessary; and fortunately the growth of the saving instinct has kept pace with other improvements. A slight change in the rate of interest calls forth capital enough for our great enterprises. There is as little limit to its growth as there is to our other resources. When it is freely used by healthy, well-fed men civilization enters a stage distinct from any of its past forms.

Food, health, capital and mobility of men and goods are the four essentials to progress. All of them are now abundantly supplied and capable of indefinite increase. Must not this be the basis of a great social transformation, changing our institutions, habits and traditions until they establish a social adjustment as complete as the present economic situation permits? If there was a break in traditions, institutions and ideals when civilization moved from Southern to Northern Europe a still greater crisis is before us when American civilization matches American possibilities. History repeats itself when economic conditions remain static, but the crude application of its maxims aggravate evils when economic transformations are in progress.

The picture I have drawn of economic changes will not be complete without a third illustration of the limits of social prediction. Progress having hitherto been on race lines, tradition emphasizes the idea of race supremacy. Sharp distinctions have been drawn between nations and their habitats; and one's own kindred are as-

sumed to be right, while strangers and enemies are wrong. The mountaineer is pronounced superior to the plainsman, the countryman to the urban dweller and the men of cold regions to those of hot climates. Buckle's contrast between the emotional East and the intellectual West is a western tradition without geographic truth. Just as baseless is the dictum that political stability is impossible south of the frost line.

It is also claimed that civilization must be Teuton or Anglo-American in racial quality, and that its environment is a narrow strip of the temperate zone in North Europe and America. But in fact the barriers to the expansion of civilization on which these traditions rest have been swept aside. More than ever civilization is economic and far more extensive than before are the geographic bases of material prosperity. The essentials of progress, security, food, health, capital and mobility of men, of goods and of thought are now found in many regions outside the wheat belt of the north temperate zone and other races than the Germanic possess the combination of essentials and benefit by it. The expansion of civilization to new places and races has begun and will not end until the level of Southern and Eastern life has been raised to that of the North and West. Cuba and Porto Rico have to-day better conditions than Virginia had two centuries ago and in Japan is a happier combination of essentials than could have been found in Elizabethan England. Surely if England and Virginia could make men under their conditions, Japan and Cuba can likewise attain the level of our present civilization.

Great as is the good that flows from the bettering of economic conditions, a still greater springs from race assimilation and the blending of traditions that succeeds economic contacts. Society is perpetuated through its traditions rather than through its heredity. Mobility of goods is less necessary to a general advance than is mobility of thought. By contact we shall raise our own ideals and gain as much as the Eastern and Southern races will. Religion, morality, political institutions, public law and literature will all be revived, lifted and freshly idealized.

The intellectual and national awakening of the races of Southern and Eastern Europe and of Japan shows the presence of a leaven that will transform their static traditions into dynamic forces more vivid than those of the Anglo-American. And the moral awakening

in England and America which demands fair play and justice for men of other races and lands is an index of a broadening and elevating influence that will delocalize Anglo-American traditions and make us truly cosmopolitan. Such interruptions and transformations of tradition narrow the realm of social predictions as strictly as do the modifications of economic conditions.

The present crisis demands a knowledge of the transformation in tradition when breaches occur between it and the economic situations in which it arose. But we cannot safely go into an unknown future with a mere knowledge of present economic conditions. Nor can we safely follow the traditions of the past formulated as the basis of historical and social prediction. We must study the past through the present and the present through the past. This is economic interpretation and it is a vital present need.

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